



# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

DEAN D. EFSTATHIOU, Acting Director

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

October 21, 2008

IN REPLY PLEASE  
REFER TO FILE: WW-3

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 29, MALIBU  
ADOPT RESOLUTION FOR SAFE DRINKING WATER STATE REVOLVING FUND  
PROGRAM FUNDING AGREEMENT TO OBTAIN A LOAN OF \$5,350,000  
FOR THE SEPULVEDA FEEDER INTERCONNECTION PROJECT  
(SUPERVISORIAL DISTRICT 3)  
(3 VOTES)**

**SUBJECT**

This action is to adopt the Resolution authorizing the Acting Director of Public Works or his designee to sign the Safe Drinking Water State Revolving Fund Agreement for a loan of \$5,350,000 for the Sepulveda Feeder Interconnection project.

**IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE GOVERNING BODY  
OF THE LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 29, MALIBU:**

Adopt the Resolution authorizing the Acting Director of Public Works or his designee to:

- Designate revenue from the Los Angeles County Waterworks District No. 29, Malibu, Accumulative Capital Outlay Fund, surcharge collected for capital improvements, as the dedicated source of revenue to repay the Safe Drinking Water State Revolving Fund loan for the Sepulveda Feeder Interconnection project (Project No. Y5292212).

- Sign the Safe Drinking Water State Revolving Fund Agreement to obtain the loan and any amendments thereto, approve the Claims for Reimbursement, sign the Budget and Expenditure Summary, and sign the Final Release form as required for the Safe Drinking Water State Revolving Fund program.
- Certify that the project is complete and ready for final inspection.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this action is to authorize Public Works to sign the Safe Drinking Water State Revolving Fund (SRF) Agreement and designate a dedicated source of revenue in order to obtain and repay a loan in the amount of \$5,350,000 for the Sepulveda Feeder Interconnection project.

### **Implementation of Strategic Plan Goals**

The County Strategic Plan directs the provision of Service Excellence (Goal 1) and Community Services (Goal 6) by pursuing funding for a project that enhances water system reliability and protects the customers of the District from potential water delivery interruption.

### **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

Based on the amount of water usage for the past six years, the District's Accumulative Capital Outlay Fund (N33) will collect an annual minimum of \$1.9 million in capital improvement surcharges over the next 20 years. Approximately \$369,000 of the surcharge collected will be set aside annually for the purpose of repayment of the amortized loan. As required by the California Department of Public Health (CDPH), Project No. Y5292212 has been set up within the District's Accumulative Capital Outlay Fund to establish accountability for project expenditures, loan receipts, and loan and interest repayments.

Once the project is approved and a contract is awarded and as expenditures are incurred for the Sepulveda Feeder Interconnection project, Public Works will begin drawing the loan to reimburse the project costs on an ongoing basis through project completion. During construction, repayment for interest accrued on loan funds received from the State will be repaid semiannually. Once the project is completed, the loan principal amount of \$5,350,000 will be repaid by the District over 20 years at a

2.2836 percent interest rate through semiannual payments currently estimated by CDPH at \$167,359.

Funds will be set aside annually and include District Accumulative Capital Outlay Fund budgets to insure funds are available for a loan repayment reserve equal to two semiannual payments.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Sepulveda Feeder Interconnection project entails the construction of 1,800 feet of 30-inch high pressure water main, a precast concrete vault to house a check valve and a pressure-reducing valve. The water main and appurtenances are needed to change the point of interconnection between the Los Angeles County Waterworks District No. 29, Malibu (District), and the Metropolitan Water District's (MWD) water systems to a location within the MWD's water systems with higher and more constant pressure than the current location. The relocation of the District's interconnection with MWD's water system will enhance the reliability and delivery of water service to customers and improve the quality of life for the residents of Malibu and the Marina del Rey.

On November 16, 2004, your Board authorized Public Works to apply for loans from CDPH for funds appropriated under the SRF for the purpose of funding water system infrastructure projects on behalf of the District.

On September 20, 2007, the CDPH issued a Notice of Acceptance of Application to the District committing \$5,350,000 from the SRF for the Sepulveda Feeder Interconnection project.

Adopting the attached Resolution is required by the funding agency. The attached Resolution has been approved as to form by County Counsel. The District, formed pursuant to Division 16 of the California Water Code, has the legal authority to enter into a loan contract with the CDPH per §55339 of the California Water Code.

### **ENVIRONMENTAL DOCUMENTATION**

On July 21, 2005, a Notice of Exemption was filed with the Registrar-Recorder/County Clerk for the Sepulveda Feeder Interconnection project (no challenges were filed).

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The Resolution and authorizations will enable the District to cost-effectively construct water system facilities to enhance the reliability of water service to its customers.

The Honorable Board of Supervisors  
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**CONCLUSION**

Please return two adopted copies of this letter and one signed original of the Resolution to the Department of Public Works, Waterworks Division.

Respectfully submitted,



*fn* DEAN D. EFSTATHIOU  
Acting Director of Public Works

DDE:AA:lr

Attachment

c: Chief Executive Office (Lari Sheehan)  
County Counsel

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF  
LOS ANGELES, CALIFORNIA, ACTING AS THE GOVERNING BODY OF THE  
LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 29, MALIBU,  
AUTHORIZING THE DIRECTOR OF PUBLIC WORKS OR HIS DESIGNEE TO SIGN  
FUNDING AGREEMENT AND AMENDMENTS FOR FUNDING UNDER THE SAFE  
DRINKING WATER STATE REVOLVING FUND; TO APPROVE CLAIMS FOR  
REIMBURSEMENT; TO EXECUTE BUDGET EXPENDITURE SUMMARY; TO SIGN  
THE CONTRACTOR'S RELEASE FORM AND THE CERTIFICATION OF PROJECT  
COMPLETION; AND DEDICATING REVENUES FROM THE WATERWORKS  
DISTRICT NO. 29, MALIBU, SURCHARGE ALLOCATED TO CAPITAL  
IMPROVEMENTS AS THE DEDICATED SOURCE OF REVENUE TO  
REPAY SAID LOAN**

WHEREAS, on December 30, 2004, the Los Angeles County Waterworks District No. 29, Malibu, made application to the California Department of Public Health for a loan of Six Million Three Hundred Fifty-four Thousand Eight Hundred and 00/100 Dollars (\$6,354,800.00) under the Safe Drinking Water State Revolving Fund; and

WHEREAS, on September 20, 2007, the California Department of Public Health issued a Notice of Acceptance of Application to said District committing Five Million Three Hundred Fifty Thousand and 00/100 Dollars (\$5,350,000.00) from the Safe Drinking Water State Revolving Fund for the Sepulveda Feeder Interconnection project (Project No. 1910204-020); and

WHEREAS, on May 18, 2006, the Los Angeles County Waterworks District No. 29, Malibu, submitted a project budget totaling Five Million Three Hundred Fifty Thousand and 00/100 Dollars (\$5,350,000.00); and

WHEREAS, on September 20, 2007, the California Department of Public Health, through its Agent, the California Department of Water Resources, committed funding in the amount of Five Million Three Hundred Fifty Thousand and 00/100 Dollars (\$5,350,000.00) under the Safe Drinking Water State Revolving Fund program; and

WHEREAS, the Funding Agreement under the Safe Drinking Water State Revolving Fund will provide for a twenty (20)-year repayment period at a 2.2836 percent interest rate; and

WHEREAS, prior to the California Department of Public Health issuing said Funding Agreement, said Board of Supervisors is required to pass a resolution formally establishing a dedicated source of revenue to repay said loan, authorizing an officer to execute said Funding Agreement and amendments, designating a person to approve claims for reimbursement, designating a person (registered engineer) to sign the Budget and Expenditure Summary, designating a person (registered engineer) to sign Certification of Project Completion, and designating a person to sign the Contractor's Release form.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the Acting Director of Public Works or his designee is hereby authorized to sign the Safe Drinking Water State Revolving Fund program Funding Agreement and any amendments thereto, and

BE IT FURTHER RESOLVED AND ORDERED, that the Acting Director of Public Works or his designee is hereby authorized to approve Claims for Reimbursement under the Safe Drinking Water State Revolving Fund program; and

BE IT FURTHER RESOLVED AND ORDERED, that the Acting Director of Public Works or his designee is hereby authorized to execute the Budget and Expenditure Summary for the Safe Drinking Water State Revolving Fund program; and

BE IT FURTHER RESOLVED AND ORDERED, that the Acting Director of Public Works or his designee is hereby authorized to sign the Contractor's Release Form for the Safe Drinking Water State Revolving Fund program; and

BE IT FURTHER RESOLVED AND ORDERED, that the Acting Director of Public Works or his designee is hereby authorized to certify that the project is complete and ready for final inspection; and

BE IT FURTHER RESOLVED AND ORDERED, that the Board of Supervisors does hereby designate a portion of the revenues from surcharge collected for capital improvements as the dedicated source of revenues to repay this Safe Drinking Water State Revolving Fund loan. This dedication shall remain in full force and effect until such loan is fully discharged unless modification or change of such dedication is approved in writing by the California Department of Public Health. If for any reason, said source of revenue prove insufficient to satisfy the debt service of the Safe Drinking Water State Revolving Fund loan, sufficient funds shall be raised through increased water rates, user charges, or assessments or any other legal means available to meet this loan obligation and to operate and maintain this Project.

The foregoing Resolution was adopted on the 21<sup>ST</sup> day of OCTOBER, 2008, by the Board of Supervisors of the County of Los Angeles as the governing body of the Los Angeles County Waterworks District No. 29, Malibu.



SACHI A. HAMAI  
Executive Officer of the  
Board of Supervisors of  
the County of Los Angeles

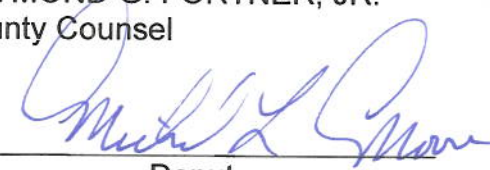
By

  
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.  
County Counsel

By

  
Deputy